

24 June 1953

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Charitable Funds for Hardship Cases

1. **PROBLEM.** To provide financial assistance for career intelligence officers who, through no fault of their own, have incurred undue financial hardship and cannot legally be assisted by Government funds.
2. **ASSUMPTION.** That career employees will be the backbone of an efficient intelligence service and that the Agency in return for the special demands it places on them, must demonstrate to such employees its willingness and ability to assist them personally as well as officially.
3. **FACTS BEARING ON THE PROBLEM.** CIA and predecessor intelligence organizations have all too frequently been faced with the problem of career employees who have incurred such heavy financial burdens through personal or family problems that they feel compelled to leave the Agency or else are unable properly to perform their functions. While every effort is made to assist such employees, in many cases exhaustive study indicates that there is no legal means for compensating the employee or arranging for funds to be made temporarily or permanently available by loan or legitimate reimbursement. Normal means for providing funds for personal use, such as the Credit Union and the small welfare fund from Government Services, Incorporated, often do not meet these personal requirements, either because of limitations on amounts or insufficient resources.
4. **DISCUSSION.** While the majority of the CIA hardship cases involve nonreimbursable medical expenses or expenses for travel related to medical treatment of dependents, others may arise out of any of the infinite number of problems that can plague a person or his family. Such cases are, of course, common throughout Government. In recognition of the problem, several agencies have established welfare funds of one sort or another. Notable among these is the Welfare Association of the Department of Agriculture established as a charitable corporation. However, in most of those agencies the problems of replacement and training, and of

career service, are not as critical as in CIA. The armed forces have a variety of means of meeting hardships of their uniformed components, but on the whole do not make a special effort in the case of civilian employees. The Foreign Service, a comparable career service, has no recognized welfare assistance program.

5. CONCLUSION. The facility best suited to the CIA problem would be a nonprofit institution, tax free under Federal tax laws, with a charter authorizing its directors to apply the assets of the institution in such manner as they deem appropriate to alleviate financial hardship of career intelligence officers of CIA in order to preserve their usefulness to the Agency. It is believed that there are a number of people, present or former officials of the Agency, who would be willing to raise the initial capital in the amount of perhaps \$10,000 by contributions which would be deductible under the Income Tax Law. If the institution cannot be self-sustaining out of investments or returns of loans, further capital might be raised in a similar manner or through contributions by employees or by increments from such sources as the Government Services, Incorporated, Welfare Fund. Other means of financing, such as employees' purchasing cooperatives, should be explored.

6. ACTION RECOMMENDED.

- a. That the Deputy Director (Administration) be authorized to arrange for the formation and capitalization of the charitable institution as outlined above;
- b. That the Career Service board consider support of such a charitable institution or of a welfare fund by voluntary contributions on an orderly basis from employees;
- c. That the Career Service board consider the formation of an employee cooperative for purchasing personal supplies and equipment with a view to applying a portion of the savings achieved through cooperative purchasing to a welfare fund or institution established to assist Agency hardship cases.

OGC/LRH:kr

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(Administration)

Approved:

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Director